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**STATEMENT OF CONGRESSMAN TOM DAVIS**  
**HOUSE COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE**  
**HEARING ON THE MERGER OF UNITED AIRLINES AND US AIRWAYS**  
**JUNE 14, 2000**

Chairman Shuster, Mr. Oberstar, Members of the Committee. I would first like to thank you for providing the opportunity to convene a hearing on this proposed merger. I would like you to know that I think United Airlines and U.S. Airways have developed a merger plan that has the potential to be pro-employee, pro-consumer, and pro-competitive.

Mr. Chairman, I have a unique interest in the joining of these two airlines and the creation of a new carrier. First, my congressional district, just across the river in Northern Virginia, will likely feel a greater impact from this merger than almost any other district in the country. My district sits between both Reagan National Airport, which sees heavy US Airways traffic, and Dulles International Airport, a United Airlines hub. In addition, as Chairman of the House Government Reform Subcommittee on the District of Columbia, I have a clear responsibility to work with city officials in the best interest of the city and residents of Washington, D.C.

Thousands of people are employed between the two carriers in this region, and millions of people – business travelers, families on vacation, even most members of Congress - travel on each airline through these airports every year. I might add that in addition to the passengers, these airlines also carry significant amounts of cargo to points across America and the world. They provide an important cog in the commerce of this entire region.

Mr. Chairman, in both capacities, as a representative of my constituents of the 11<sup>th</sup> District of Virginia, and as a federal official with an interest in the citizens of the District of Columbia, I am pleased to report that the union of these two airlines can be, simply put, a good thing. It will have significant and tangible benefits for residents of Northern Virginia, Washington, D.C., and the broader metro area economy.

These benefits can be placed into three general categories: job security, greater competition, and more convenient travel.

Too often, we hear that mergers and acquisitions are accompanied by discussions of downsizing, restructuring, and reductions in force. But in the case of this transaction, I was very pleased to learn that all employees from both carriers will be offered comparable positions in the new airline. I am sure this is also welcome news to members representing communities such as Pittsburgh, Philadelphia, Chicago, and Charlotte, where the carriers also employ significant numbers of people.

For many years, my constituents who are US Airways employees have had to contend with a degree of uncertainty. While US Airways has made tremendous strides toward becoming a world-class competitor, over the years, financial difficulties, reorganizations, and sometimes difficult labor negotiations, have at times contributed to speculation over the health and the viability of the airline. Once the merger is complete, it appears that the new United Airlines will be a highly stable employer.

However, this transaction will not only benefit employees. It will also offer added competition to the Washington area. One of the key ingredient to this enhanced competition is the creation of a new airline – DC Air – which will be based out of Reagan National and owned by one of the region's top corporate citizens, Mr. Robert Johnson.

By taking over most of US Airways' routes to 43 cities in and out of Reagan National, I expect DC Air to shake things up at one of Washington's most convenient, but also most high-priced airports. Mr. Johnson has already suggested that he plans to operate his airline as a low-cost carrier. And as many of my colleagues on the committee fly through Reagan National on a weekly basis, I know they are familiar with the fares that can be charged to fly through this slot-controlled airport. I think we can all agree that the introduction of this carrier will be a welcome addition to the competitive landscape.

Finally, in addition to new competition, United Airlines is planning to offer new services to the Washington-Metropolitan region that will make it easier to travel for business and for pleasure. At its most fundamental level, the route structure of these two airlines offers enhanced convenience. The North-South strength of US Airways on the East Coast, coupled with United's East-West routes to the West Coast and overseas, opens number of convenient travel options for the metro region. All told, United will offer non-stop or one-stop service from the two Washington airports to 229 cities in the US, Canada and Mexico as well as to 35 other international destinations.

Logically, one of the real winners in this merger will be the communities served by Dulles Airport. As one who has had a long time interest in the success of Dulles, I am elated that United's operations at Dulles will be expanded, with more flights to the West Coast, Europe, and the Caribbean. These new flights west to places like Orange County, and overseas to cities like Copenhagen, mean easier access to the Washington area, and subsequently, more opportunities for our region to continue to attract businesses and high-paying jobs. And on the other hand, new flights from Dulles to San Juan, Bermuda, and St. Maarten, will make it easier for members of our community to get away and enjoy a well-deserved vacation. The end result will be to make Dulles one of the key links to national and global commerce on the entire East Coast.

Mr. Chairman, I would like to close by saying that some companies may give little thought to consumers or their employees when they enter into a merger. That is certainly not the case in this instance. It is clear to me that United, US Airways, and D.C. Air have thought this transaction through. As a result, they have developed a plan that is good for their employees, good for passengers, good for their companies, and good for the communities they serve. It will certainly be good for the communities of Northern Virginia and Washington, D.C.